

Message Text

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42

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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P 021501Z DEC 74

FM AMEMBASSY SANTO DOMINGO
TO SECSTATE WASHDC PRIORITY 2154

C O N F I D E N T I A L SANTO DOMINGO 4924

EXDIS

E.O. 11652: GDS

TAGS: EMIN, EFIN, EIND, DR

SUBJECT: ALCOA AND GODR REACH AGREEMENT

REF: SD 4811

1. ALCOA REP HUGHSON INFORMED AMBASSADOR THAT PRESIDENT BALAGUER CALLED HIM IN AT 8 PM NOVEMBER 29 AND GAVE HIM SIGNED LETTER, DRAFT OF WHICH HAD PREVIOUSLY BEEN AGREED TO BY ALCOA. ALCOA WILL SOON DELIVER FORMAL REPLY ACCEPTING BALAGUER'S TERMS.

2. ACCORDING TO HUGHSON, PRESIDENT SELECTED OPTION AS ORIGINALLY CONCEIVED IN PARAGRAPH 5 OF DRAFT LETTER.

3. HUGHSON HAD TO LEAVE DOMREP IMMEDIATELY THEREAFTER TO ATTEND WEEK-LONG MEETING IN BOGOTA ON CHAMBER OF COMMERCE BUSINESS. CONSEQUENTLY, WE HAVE NOT YET HAD OPPORTUNITY TO ANALYZE WITH HUGHSON PRECISE FINANCIAL IMPLICATIONS OF NEW CONTRACT. WE DO KNOW THAT GODR WILL RECEIVE SUBSTANTIALLY INCREASED INCOME BUT LESS THAN THAT WHICH THE "JAMAICAN" FORMULA WOULD HAVE PROVIDED. THUS THE "UNITY OF PRICE" HOPED FOR BY THE BAUXITE PRODUCERS HAS NOT BEEN ACHIEVED WITH RESPECT O THE DOMREP, ALTHOUGH IT SHOULD BE BORNE IN MIND THAT THE NEW CONTRACT CONTAINS A "MOST FAVORED NATION" CLAUSE. AS SOON AS HUGHTSON RETURNS, WE SHALL FORWARD AN ANALYTICAL REPORT OF THE NEW ARRANGEMENTS.

4. WE APPRECIATE VERY MUCH THE EXCELLENT AND TIMELY
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GUIDANCE WE HAVE RECEIVED FROM THE DEPT. AND ARE PLEASED THAT A

REALISTIC AGREEMENT HAS BEEN REACHED BETWEEN THE TWO PARTIES
WITHOUT RESORT TO LEGISLATION OR PUBLIC POLEMICS.
HURWITCH

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BAUXITE, AGREEMENTS, NEGOTIATIONS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 DEC 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTO04924
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740348-0863
From: SANTO DOMINGO
Handling Restrictions: n/a
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Original Previous Classification: n/a
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